



**Office of the Attorney General
Robert E. Cooper, Jr.**

**Department of Commerce and Insurance
Commissioner Leslie Shechter Newman**

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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**ATTORNEY GENERAL OBTAINS \$300,000 ASSET FREEZE AND INJUNCTION
AGAINST COMPANIES THAT ALLEGEDLY ENGAGED IN IDENTITY THEFT**

A Chancellor has entered an order granting the State's request to stop two Lebanon businesses and individuals from billing consumers for goods that the State contends the company has not shipped and from disposing of certain business records.

Tennessee Attorney General Bob Cooper, on behalf of the Tennessee Division of Consumer Affairs, sued the two businesses, National Fulfillment, Inc. and Entertainment America, Inc. The suit also names Rollie Froehlig of Brentwood, Tennessee, owner and president of both National Fulfillment and Entertainment America, as well as Ted Howes, executive vice-president and acting chief financial officer of National Fulfillment. The lawsuit includes allegations that the companies violated Tennessee Identity Theft and Consumer Protection laws.

Williamson County Chancellor Lee Davies ordered the businesses to put \$215,000 in escrow within 10 days and to add an additional \$85,000 to the escrow account by April 16 until a trial is held. Both parties will have the right to go to court to alter the amount of the assets now frozen. The Court also ordered the companies to file certain financial information no later than April 30.

The State alleges that the businesses billed approximately 30,000 consumers nationwide and attempted to bill approximately 300,000 consumers for a product that never existed. The State

alleges approximately 30,000 instances of identity theft, in which consumers' credit cards or debit cards were charged for purchases those consumers never made or authorized. Consumers were charged \$19.90 each, totaling over \$500,000 in alleged fraudulent charges. A small portion of the 30,000 consumers were refunded according to the companies' purported "immediate credit-no questions asked" refund policy.

"We are pleased with the Court's ruling and look forward to pursuing this case aggressively at trial," said Attorney General Bob Cooper. "Combating identity theft is one of my top priorities in the consumer protection arena. I urge consumers to take pro-active steps to protect their personal information from identity theft. Likewise, our Office will remain vigilant and take enforcement action against those that we believe are engaging in systematic identity theft."

Identity theft may occur not only by someone improperly using your name and social security number but also when someone improperly uses your financial information such as credit card or bank account numbers for unlawful purposes.

"The Division of Consumer Affairs works diligently in the consumer protection process as the lead agency in Tennessee for all consumer complaints," said Mary Clement, director of the Division of Consumer Affairs. "This ruling is yet another example of our coordinated efforts with the Attorney General's Office and shows the direct impact of how the consumer protection process works for the benefit of all Tennessee consumers. I encourage anyone with a consumer related concern to contact our office for assistance."

Consumers who were charged \$19.90 on their credit or debit cards from "EmTech" between July 2005 and September 2005 should contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 (toll-free within Tennessee) or (615) 741-4737. Consumers can also file complaints regarding any consumer matter by calling these numbers. Complaints can also be filed online at www.state.tn.us/consumer.

- Attorney General Cooper offers the following advice to protect yourself from identity theft:
- *Carefully check your bank statements, credit card statements, and other financial statements regularly. For credit card and some electronic payment sources, you may be able to get your money back if you dispute an unapproved charge quickly enough.
 - *Request your free annual credit report to see if there are any debts that you do not recognize.
 - *Shred documents you wish to discard with sensitive information and keep other personal documents in a secure location.
 - *Use common sense when giving out personal information. If you are unsure about the requester's identity or legitimacy, do not give out your information. Banks and other companies do not initiate calls or e-mails to consumers to verify information that they already possess.

For more information on the lawsuit and today's court ruling, please visit the Tennessee Attorney General's website at www.attorneygeneral.state.tn.us. Simply click on "Office Information" and then "Cases of Interest" to reach the link to the National Fulfillment court documents.